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# Detroit Free Press

## **Wanted: Business Hopefuls**

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By Tom Walsh

Dan Gilbert, founder of the growing Quicken Loans/Rock Financial mortgage empire and owner of the Cleveland Cavaliers basketball team, is convinced there's only one thing that can revive the sagging economic fortunes of the city of Detroit.

The entrepreneur.

To that end, Gilbert plans to pony up about \$10 million to create a boot camp to develop young entrepreneurs -- and then fund the start-up costs for businesses they create inside the city.

The 2-year, full-time residential program, to launch in January with an inaugural class of 10 to 20 students, will be called Bizdom U and will be funded by Gilbert directly, not by Quicken, Rock Financial or Camelot Ventures, an investment firm in which he holds a major stake.

The first two staff hires for Bizdom U are Ross Sanders and Dan Izzo as executive director and training director, respectively.

Sanders was a 10-year Quicken/Rock executive who left the Livonia-based mortgage firm a year ago to work for Think Detroit PAL, which runs youth sports leagues in Detroit.

"I always had an interest to assist inner-city youth," said Sanders, whose father was a Detroit Public Schools administrator for 45 years.

Izzo is a former Chicago lawyer who founded the Improve Inferno comedy club in Ann Arbor in 2004.

Sanders has picked out a storefront office for Bizdom U on the Wayne State University campus near where the students will be housed, although Bizdom is not directly affiliated with WSU. Rather, it is incorporated as a nonprofit academy.

Gilbert brings some radical notions to this project. For starters, he believes the most promising business leaders of the future aren't necessarily the college-bound, straight-A high school students of today. He expects his Bizdom U recruits to be 18 to 22 years of age and high school graduates with street smarts but perhaps not the temperament or the patience to slog through years of academia for college degrees.

"We love PhDs," Gilbert told me, "but a specific kind of PhD -- poor, hungry and driven!"

He hopes to bring a varied array of teachers from real world businesses, from National Basketball Association commissioner David Stern to mortgage brokers, sports agents and professional athletes who have entrepreneurial businesses on the side.

"Detroit is a place where government programs haven't worked. There have been lots of programs with good intentions, going back to the Great Society" of President Lyndon Johnson in the 1960s. "But they didn't seem to work to create new businesses and jobs in the city," said Gilbert, a Detroit native and graduate of Michigan State University and the Wayne State University Law School.

"I've always hoped that I, we, could do something that we could fund ourselves, something different, based on the philosophies we have about how wealth is created," he said.

Quicken/Rock is expected to generate \$16 billion in mortgage loans this year, up from about \$12 billion a year ago. Employment has risen to 3,600 from 2,300 at the start of 2005 and about 1,000 in 2002. Quicken, the Internet lending unit, generates 84% of company loans, and the traditional Rock Financial branches in Michigan do the rest.

Early last year, Gilbert bought the Cleveland Cavaliers basketball team and its Gund Arena, which he quickly renamed Quicken Loans Arena, called the Q for short.

Bizdom is no whimsical flight of fancy. Sanders, sometimes accompanied by Gilbert, has studied other urban entrepreneurship efforts in the Bronx, Denver, Los Angeles and Cleveland. They've also looked closely at related Detroit programs such as Youthville, funded by the Kellogg Foundation, the Detroit Entrepreneurship Institute, and others run by New Detroit and Goodwill Industries.

There's a lot of good work being done, but most programs end with the development of a business plan, Sanders said. Bizdom U will be unique by taking the next huge step with students who get that far -- it will commit to fund the start-up of a graduate's company with an investment of \$25,000 to \$500,000 in stages.

Mentors for the budding entrepreneurs will be available, too. The founder can acquire an equity stake in his or her new company, with Bizdom owning the rest and funneling any profits back into a revolving fund to make Bizdom U self-sustaining financially.

Gilbert's description of Bizdom sounds more like basic training for the U.S. Marines than a college MBA program.

His recruitment flyer for students states:

"This is a DEMANDING and RIGOROUS program. You must have:

- The DREAM, DESIRE and DRIVE to create a business.
- The PASSION and discipline to create a business plan to open a Detroit-based business.
- A full-time commitment.
- The toughness and stomach to handle all of the hurdles we require in our extensive admission process.
- The drive, persistence and ability to graduate from the program, get your business plan approved and get your start-up business funded."

Bizdom will work with Detroit community groups and business leaders to recruit students for the first class. A second cohort of students will begin next September.

Intriguing stuff, but not for the wishy-washy or faint of heart. Think of them as the Few, the Proud, the Next Detroit Entrepreneurs.